

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2652

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 13-3728, Arizona Revised Statutes, is amended to
3 read:

4 13-3728. Unlawful purchase, solicitation, advertisement or
5 sale of used catalytic converter; classification;
6 definition

7 A. It is unlawful for a person to purchase, SOLICIT, ADVERTISE,
8 POSSESS or sell a used catalytic converter ~~unless the purchase or sale is~~
9 ~~in the ordinary course of business by a commercial motor vehicle parts or~~
10 ~~repair business in connection with the sale or installation of a new~~
11 ~~catalytic converter~~ OR ANY NONFERROUS PARTS OF A CATALYTIC CONVERTER.

12 B. SUBSECTION A OF this section does not apply to:

13 1. An automotive recycler that is licensed pursuant to title 28,
14 chapter 10 IF THE POSSESSION OR SALE OF A USED CATALYTIC CONVERTER IS IN
15 THE AUTOMOTIVE RECYCLER'S ORDINARY COURSE OF BUSINESS.

16 2. The purchase or sale of a used catalytic converter as prescribed
17 by section 44-1642.01 that is acquired in a transaction with an industrial
18 account, with another scrap metal dealer or after the used catalytic
19 converter is authorized for release by a peace officer of the jurisdiction
20 in which the transaction occurs, EXCEPT THAT A SOLICITATION OR
21 ADVERTISEMENT FOR A USED CATALYTIC CONVERTER MAY BE MADE ONLY FOR
22 INDUSTRIAL ACCOUNTS.

1 3. A COMMERCIAL MOTOR VEHICLE PARTS OR REPAIR BUSINESS THAT SELLS OR
2 INSTALLS A NEW CATALYTIC CONVERTER IF THE POSSESSION OR SALE OF A USED
3 CATALYTIC CONVERTER IS IN THE BUSINESS' ORDINARY COURSE OF BUSINESS.

4 C. A PERSON THAT PURCHASES A USED CATALYTIC CONVERTER SHALL
5 ELECTRONICALLY SUBMIT TO THE DEPARTMENT A RECORD OF EACH USED CATALYTIC
6 CONVERTER TRANSACTION. THE RECORD SHALL INCLUDE THE INFORMATION LISTED IN
7 SECTION 44-1644, SUBSECTION A.

8 ~~C.~~ D. A violation of this section is a class 1 misdemeanor.

9 E. FOR THE PURPOSES OF THIS SECTION, "CATALYTIC CONVERTER" HAS THE
10 SAME MEANING PRESCRIBED IN SECTION 44-1642.01.

11 Sec. 2. Section 44-1641, Arizona Revised Statutes, is amended to
12 read:

13 44-1641. Definitions

14 In this article, unless the context otherwise requires:

15 1. "Business records" means records of any purchase, trade, barter
16 or other transaction that involves the receipt of scrap metals and that is
17 made in the ordinary course of business at or near the time of the
18 purchase, trade, barter or transaction, including receipts, books or
19 similar records as prescribed by section 44-1642, but does not include
20 correspondence, tax returns or financial statements.

21 2. "Department" means the department of public safety.

22 3. "Ferrous metals":

23 (a) Means those metals that will attract a magnet.

24 (b) Includes a scrap vehicle.

25 4. "Industrial account" means EITHER:

26 (a) A person or business entity that files or is required to file
27 monthly returns for that person's or entity's transaction privilege tax
28 licenses ~~OR~~ AND THAT IS REASONABLY EXPECTED TO GENERATE THE TYPE OF SCRAP
29 METALS IT SELLS.

1 (b) A governmental entity that sells scrap metal to a scrap metal
2 dealer.

3 5. "Scrap metal dealers" means each person or business entity,
4 including all employees of the person or business entity, except automotive
5 recyclers that are licensed pursuant to title 28, chapter 10 and whose
6 primary business is the dismantling, selling or disposing of parts or
7 accessories of motor vehicles, engaged in the business of purchasing,
8 trading, bartering or otherwise receiving secondhand or castoff material of
9 any kind that is commonly known as scrap metal.

10 6. "Scrap metals" includes insulated and uninsulated metallic cables
11 and scrap vehicles.

12 7. "Scrap vehicle" means a vehicle that has been reported to the
13 national vehicle title information system and that has been flattened,
14 crushed, baled or logged so that the vehicle is less than fifty percent of
15 its original volume, is no longer the vehicle that is described by the
16 certificate of title and is sold for purposes of scrap metal only.

17 Sec. 3. Section 44-1641.05, Arizona Revised Statutes, is amended to
18 read:

19 44-1641.05. Items required to be maintained at place of
20 business; city or county ability to recover
21 costs; violation; civil penalty

22 A. A registered scrap metal dealer must keep the following at each
23 place of business:

24 1. Proof of registration that is issued by the department.

25 2. A statement indicating that the ~~applicant~~ SCRAP METAL DEALER has
26 registered on a free theft notification website that allows law enforcement
27 to send detailed descriptions of stolen items to recycling operations and
28 other law enforcement within at least a one hundred mile radius of a
29 theft. The website must allow scrap metal dealers to alert law enforcement
30 when the dealers are offered suspicious materials.

1 3. An affidavit signed by the ~~applicant~~ SCRAP METAL DEALER that
2 states that the person is in compliance with this article.

3 4. A questionnaire that the scrap metal dealer must prepare every
4 two years to show compliance with this article.

5 B. The scrap metal dealer must maintain and make available the items
6 prescribed by subsection A of this section for inspection by law
7 enforcement. If after inspection law enforcement determines that the scrap
8 metal dealer is in violation of this section, law enforcement must submit a
9 notice of violation to the scrap metal dealer. EXCEPT AS OTHERWISE
10 PROVIDED IN THIS SECTION, law enforcement shall reinspect the scrap metal
11 dealer's place of business ~~no~~ NOT earlier than ~~fifteen~~ SEVEN days after the
12 scrap metal dealer receives the notice of violation. AFTER REINSPECTION,
13 IF LAW ENFORCEMENT DETERMINES THAT THE SCRAP METAL DEALER IS IN VIOLATION
14 OF THIS SECTION, LAW ENFORCEMENT MAY CONDUCT A SUBSEQUENT REINSPECTION
15 WITHOUT A MINIMUM WAITING PERIOD.

16 C. If a person violates this section, the person is subject to the
17 following:

18 1. For a first violation, a civil penalty of ~~five hundred dollars,~~
19 \$500. ~~except that the person is not subject to a civil penalty if the~~
20 ~~person corrects the violation within fifteen days after receiving the~~
21 ~~notice pursuant to subsection B of this section.~~

22 2. For a second ~~or subsequent~~ violation, a civil penalty of ~~one~~
23 ~~thousand dollars~~ \$2,000 and a licensing jurisdiction shall suspend or
24 revoke the person's business license or, if a business license is not
25 required to operate a business, the jurisdiction shall order the suspension
26 or permanent cessation of the person's business operations.

27 3. FOR A THIRD OR SUBSEQUENT VIOLATION, A CIVIL PENALTY THAT IS
28 \$2,000 MORE THAN THE PREVIOUS CIVIL PENALTY IMPOSED ON THE PERSON FOR
29 VIOLATING THIS SECTION.

1 United States military. This paragraph does not apply to a seller who is
2 exclusively selling aluminum beverage containers.

3 5. The seller's transaction privilege tax number, if applicable.

4 6. The number and state of issuance of the license on the vehicle
5 used to deliver the scrap metal.

6 7. A photograph, video record or digital record of the seller
7 involved in the transaction.

8 8. A right index fingerprint of the seller.

9 B. The record and entries shall be retained in a book or similar
10 record at the business premises for one year after making the final entry
11 of any transaction and shall be retained either at the business premises or
12 any other reasonably available location for an additional year. A scrap
13 metal dealer's business premises, business records relating to scrap metal
14 transactions, including a book or similar record prescribed by this
15 section, and business inventory shall be open during regular business hours
16 for reasonable inspection by a peace officer. Before an inspection shall
17 take place, a peace officer shall first identify himself and the purpose
18 for the inspection to the scrap metal dealer, dealer's manager or other
19 responsible person and comply with all reasonable and customary safety
20 requirements of that scrap metal dealer for the business premises
21 inspected. The scrap metal dealer may require the peace officer to sign an
22 inspection log that includes the officer's name and serial or badge number
23 and the time, the date and the purpose for the inspection.

24 C. A scrap metal dealer shall not provide payment for any scrap
25 metal on site at the time of the scrap metal transaction. Payment shall be
26 made by mailing a check or money order to a physical address provided by
27 the seller through a current driver license or other identification
28 prescribed in subsection A, paragraph 4 of this section. The check or
29 money order shall be made payable to the business name for an industrial
30 account. This subsection:

1 1. Except as provided in paragraphs 2, 3 and 4 of this subsection,
2 ~~only~~ applies ONLY to industrial accounts, copper and aluminum wire with a
3 diameter of at least three-eighths of an inch.

4 2. Except as provided in paragraph 3 or 4 of this subsection,
5 applies to all scrap metal transactions of ~~three hundred dollars~~ \$300 or
6 more.

7 3. Does not apply to industrial accounts if the industrial accounts
8 annually preregister employees who are authorized sellers on behalf of the
9 industrial accounts.

10 4. Applies to all transactions involving air conditioner cooling
11 coils, including industrial accounts, except that for these transactions a
12 scrap metal dealer may give a seller on site a check made payable to an
13 industrial account.

14 D. A scrap metal dealer shall provide a receipt to the seller on
15 site at the time of the scrap metal transaction, for every transaction, and
16 shall include the following information:

17 1. The date, time and place of the transaction.

18 2. An identifying description and weight of the specific scrap metal
19 received.

20 3. The dollar amount of the transaction.

21 E. A scrap metal seller may not conduct a series of transactions for
22 one vehicle load of scrap metal to avoid the requirements of this section.

23 F. A scrap metal seller shall not participate in more than one cash
24 transaction per day for scrap metal.

25 G. A scrap metal seller shall be at least sixteen years of age.

26 H. IF A SCRAP METAL DEALER PURCHASES A USED CATALYTIC CONVERTER, THE
27 SCRAP METAL DEALER SHALL RETAIN THE USED CATALYTIC CONVERTER IN ITS
28 ORIGINAL FORM FOR AT LEAST SEVEN DAYS AFTER THE ORIGINAL PURCHASE DATE AT
29 THE SCRAP METAL DEALER'S PLACE OF BUSINESS.

1 9. Metal municipal storm grates that are used to allow for water
2 drainage from municipal streets or alleys.

3 B. This section does not apply to or prohibit the purchase or
4 possession of the types of items THAT ARE listed in subsection A of this
5 section and that are acquired in transactions with industrial accounts,
6 with other scrap metal dealers or after the scrap metal is authorized for
7 release by a peace officer of that jurisdiction IF THE SCRAP METAL DEALER
8 KEEPS RECORDS PURSUANT TO SECTION 44-1642 AND ELECTRONICALLY REPORTS THE
9 TRANSACTIONS PURSUANT TO SECTION 44-1644.

10 C. A person who violates this section is guilty of a class 1
11 misdemeanor.

12 Sec. 6. Section 44-1644, Arizona Revised Statutes, is amended to
13 read:

14 44-1644. Report; exemption; violation; classification

15 A. Within twenty-four hours ~~of receipt of~~ AFTER RECEIVING scrap
16 metals, except from an industrial account or a scrap metal dealer, for
17 which a record is required to be kept by section 44-1642, a scrap metal
18 dealer shall electronically submit to the department a record of the
19 receipt of the scrap metals. The record shall include the following
20 information:

- 21 1. The date, time and place of the receipt of the scrap metal.
22 2. An identifying description of the specific scrap metal received,
23 including:

24 (a) The weight and amount of the transaction or other consideration
25 given.

26 (b) FACTORY MARKINGS OR OWNER APPLIED NUMBERS ON CATALYTIC
27 CONVERTERS AS DEFINED IN SECTION 44-1642.01, SUBSECTION A, PARAGRAPH 8.

1 3. A description of the person delivering the metal to the scrap
2 metal dealer including the person's gender, height, weight, race and hair
3 and eye color, address and date of birth and a photocopy of a current
4 driver license, nonoperating identification license issued pursuant to
5 section 28-3165 or photo identification card issued by a tribal government
6 or the United States military.

7 4. The number and state of issuance of the license on the vehicle
8 used to deliver the scrap metal.

9 B. The department shall establish by rule electronic submission
10 standards. The submission standards shall allow the submission of the
11 information in an electronic format that is compatible with the output
12 format of not less than four of the record keeping software programs
13 currently in use in the scrap metal industry in this state in a manner that
14 will allow the information to be electronically merged with the
15 department's database. A scrap metal dealer that submits information to
16 the department pursuant to this section ~~shall~~ IS not ~~be~~ required to submit
17 the same information to a local law enforcement agency.

18 C. The department shall make the information submitted pursuant to
19 this section available to local law enforcement agencies over the internet
20 and shall provide for training and procedures to allow law enforcement
21 personnel to access the information provided electronically for law
22 enforcement purposes.

23 D. For copper, aluminum wire with a diameter of at least
24 three-eighths of an inch and transactions with a value over ~~one hundred~~
25 ~~dollars~~ \$100, a scrap metal dealer shall hold in its custody in the same
26 size, shape and condition in which the scrap metal was received on its
27 business premises any scrap metal received in a reportable transaction for
28 seven days after filing the report prescribed by subsection A of this
29 section.

1 E. Subsection D of this section does not apply to transactions with
2 industrial accounts, other scrap metal dealers or purchases by scrap metal
3 dealers of used aluminum beverage containers or ferrous metals and of scrap
4 metal authorized for release by a peace officer of that jurisdiction.

5 F. A person who fails to file a report prescribed by this section is
6 guilty of a class 1 misdemeanor."

7 Amend title to conform

REGINA E. COBB

2652COBB SE
02/17/2022
04:06 PM
H: MB/ra

~~0000BLANK SE~~
~~02/15/2022~~
~~01:49 PM~~
~~C: MU~~